Global Property Fund

► Focused. Transparent. Quality.

NEDGROUP INVESTMENTS

June 2026 update | ISIN for Class C USD: IE00BD9Y5201

MARKETING COMMUNICATION

Our investment approach

- We allocate capital actively across countries, sectors and companies.
- We conduct intense scrutiny of the underlying real estate held by each company.
- We recognise that real estate is cyclical and capital intensive and believe that management skill is critical.
- The portfolio is constructed in an approach that is high conviction and agnostic.

Portfolio management team

Andrew Parsons

30+ years experience

Marco Colantonio

30+ years experience

Robert Promisel

30+ years experience

Julian Campbell-Wood

21 years experience

In this monthly note, we share the Fund's return drivers over recent periods, current portfolio positioning and put the spotlight on a stock in the portfolio.

Performance and markets

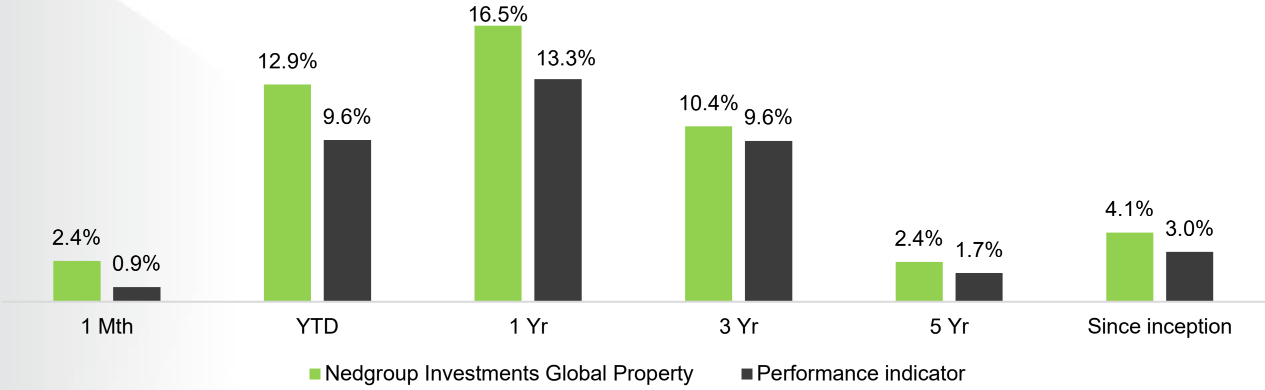
The FTSE EPRA/NAREIT Developed Index (USD) produced a total return of 0.9% for the month ended 30 June 2026, compared with the MSCI World Net Return (USD), which returned -0.1%. Global listed real estate benefited from a rotation away from AI and technology-related stocks towards sectors backed by tangible assets. This shift supported real estate valuations and helped the asset class outperform broader global equities during the month.

The UK was the strongest-performing region, returning 7.1% in local currency terms. Performance was supported by increased M&A activity, which contributed to higher public REIT valuations. Further details are provided below. Hong Kong was the weakest-performing region, declining 11.8% in local currency terms. The market was affected by a 33 basis point increase in HIBOR, which rose by approximately 13% to 2.94% during the month, reflecting concerns around potential capital outflows from China and their impact on Hong Kong liquidity. Additionally, stronger-than-expected U.S. payroll data increased concerns that interest rates would remain higher for longer. Given that the Hong Kong dollar is pegged to the U.S. dollar, local interest rate expectations tend to be influenced by U.S. monetary policy.

At the sector level, performance was mixed in June. Healthcare was the best-performing sector, returning 7.7% in local currency terms. We attribute this strong performance to favourable structural growth drivers supporting the sector. There were, however, limited new data points or transactions announced during the month. Data centres were the weakest-performing sector, declining 3.4% in local currency terms. The underperformance reflected the broader rotation away from technology-related sectors, as well as Digital Realty's (DLR) equity issuance to fund acquisitions.

Fund performance

Past performance is not indicative of future performance and does not predict future returns



Fund returns are US$ based on Class C (accumulation) since August 2016. Performance indicator: FTSE EPRA Nareit Developed NR USD. Source: Morningstar, Nedgroup Investments.

Key return drivers

Month to date

The fund outperformed the Index by 150 basis points for the month ending 30 June 2026.

Contributors	Detractors
• OW Vornado Realty Trust – US office	• OW Sun Hung Kai Properties – HK diversified
• OW SEGRO – UK industrial	• Nil Public Storage – US self-storage
• UW Prologis – US industrial	• OW Equinix – US data centres
• OW Essex Property Trust – US residential	• OW TAG Immobilien – European residential
• OW Chartwell Retirement Residences – CA healthcare	• Nil Healthpeak Properties – US healthcare

OW – Overweight; UW – Underweight; Nil – zero exposure; CA – Canadian, JPN – Japan, HK – Hong Kong.

Portfolio comments

Prologis (PLD) announced an all-share offer to acquire SEGRO plc (SGRO). We believe the proposal seeks to take advantage of the gap between public and private market property valuations. Prologis highlighted the opportunity to accelerate the development of SEGRO's land and power capacity for future data centres and realise synergies across its existing UK and European portfolios. SEGRO's board rejected the proposal, primarily on valuation grounds. Both companies are held in the portfolio.

Digital Realty (DLR) announced approximately US$1.6 billion of acquisitions, funded partly through US$1.25 billion raised via its at-the-market equity programme. The acquisitions included 1,440 acres of land in Kansas City with 600MW of committed power capacity, an additional 16% stake in Teraco, increasing ownership to 77%, and Columbia Capital, a digital infrastructure investment firm with more than US$9 billion of capital commitments. DLR also acquired Blackstone's 64% stake in three Northern Virginia data centres for US$3.5 billion, funded with US$1.2 billion in cash and US$2.3 billion in equity. The transaction was completed at an implied mid-6% cap rate and is expected to be earnings accretive.

TAG Immobilien (TEG) successfully completed the IPO of ROBYG, its Polish residential development business. We view the transaction as supportive of our investment thesis, as it helps unlock value by allowing different parts of the business to be valued separately.

Unibail-Rodamco-Westfield (URW) agreed to acquire the remaining 50% stake in Westfield UTC in San Diego for approximately US$705 million through a combination of cash and equity. The transaction is expected to be neutral from both a loan-to-value (LTV) and adjusted recurring earnings per share (AREPS) perspective and was completed at a 5.0% cap rate.

Portfolio positioning

Sector breakdown	Weight
Healthcare	20.3%
Retail	18.3%
Residential	12.7%
Data Centres	12.4%
Diversified	11.9%
Industrial	10.6%
Self Storage	5.7%
Office	5.4%
Cash	2.3%
Hotel	0.4%
Other	0.0%

Regional breakdown	Weight
US	64.3%
Europe	9.7%
UK	8.6%
Australia & NZ	5.4%
Japan	4.4%
Canada	2.7%
Hong Kong	2.4%
Cash	2.3%
Singapore	0.2%
Other	0.0%

Top Holdings	Sector	Weight
Welltower Inc.	Health Care	9.6%
Equinix, Inc.	Data Centres	7.4%
Federal Realty Investment Trust	Retail	4.9%
Vornado Realty Trust	Office	4.6%
Ventas, Inc.	Health Care	4.3%
Digital Realty Trust, Inc.	Data Centres	4.0%
Unibail-Rodamco-Westfield SE	Retail	3.8%
Essex Property Trust, Inc.	Residential	3.7%
Simon Property Group, Inc.	Retail	3.6%
Extra Space Storage Inc.	Self-Storage	3.4%
Total		**49.3%**

Portfolio attributes	
Number of Securities	43
Implied Cap Rate	5.6%
Dividend Yield	3.2%
Forward FFO Multiple	21.3x
Net Debt/EBITDA Multiple	5.8x
Portfolio Occupancy	91.9%
Rental Income as a % of EBITDA	91.1%

As at 30th June 2026. Source: Resolution Capital, Nedgroup Investments.

Sumitomo Realty & Development

- Sumitomo Realty & Development is a Tokyo-focused diversified property company. It owns office buildings that generate rental income and also develops residential apartments for sale. While it is often described as a developer, the key point is that a large part of the business is supported by its investment property portfolio, with investment income typically making up at least 60% of earnings.
- The opportunity is the improving Tokyo office market. Tenant demand is strong, vacancy is very low at around 2.4%, and limited new office development is coming through. This is helping landlords move from simply keeping rents stable to being able to push through rent increases. After many years of deflation in Japan, this shift is important because higher rents can support stronger rental income and earnings.
- The valuation also looks attractive. Sumitomo is trading at a more than 30% discount to net asset value, on around 13x earnings, with 20% annual dividend growth forecast over the next three years.
- Governance is also improving. The company has a buyback programme, is unwinding cross-shareholdings, removed its poison pill, and is moving towards a more independent board. Overall, Sumitomo is not only benefiting from stronger rental growth in Tokyo; it is also taking steps that may help unlock more value for shareholders over time.

Performance, contribution data and positioning information as of 30 June 2026. Some differences may exist due to rounding. Source: Resolution Capital, Nedgroup Investments.

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